

## **LBNL – PROCUREMENT STANDARD PRACTICES**

**Section: 4**

### **Administrative Matters**

**Subject: 4.3**

### **Documentation Requirements**

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**PURPOSE:** This standard practice (SP) describes the general requirements for documenting, organizing, and retaining subcontract files.

**POLICY:** The Laboratory will establish and maintain subcontract files that contain those documents essential to providing an adequate and accurate record of all transactions.

**SCOPE:** This SP applies to all subcontracts.

#### **DEFINITIONS:**

##### **Checklists**

Checklists are tools used for tracking and documenting all subcontracts, whether they are telephone orders or written subcontracts. Different checklists are used depending upon the type, size, and complexity of the transaction. Each checklist contains a list of the documentation required for the transactions to which it pertains.

##### **Telephone Orders**

Telephone orders are procurement transactions valued at \$25,000 or less which are telephoned to suppliers but not confirmed in writing. They are used in order to expedite the solicitation and award of low value, non-complex goods and services. See SP 13.1, *Small Purchases*, which contains information about Telephone Orders.

#### **PROCEDURES:**

##### **General Topics**

The subcontract file will contain information and data used in determining that the subcontract is in the best interests of the Laboratory and the government. The level of detailed documentation must be consistent with the nature, dollar value, and complexity of the subcontract and must demonstrate compliance with requirements set forth in these SPs.

##### **Content of Subcontract Files**

The following are examples of the records that should normally be maintained, if applicable, in the subcontract file:

- The purchase request, statement of work and/or specifications, and other presolicitation documents;
- Justifications and approvals, such as a single-source justification or a wage determination under the *Service Contract Act*;
- Copies of any public notice issued for a subcontracting opportunity (see SP 5.1, *Publicizing Subcontract Actions*);
- A record of the proceedings of the preproposal conference;

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- The list of sources solicited;
- A copy of the solicitation and all amendments;
- A copy of all offers, including management and technical proposals, cost/price proposals, and an executed copy of all representations and certifications;
- Source selection documentation;
- Cost or price analysis, including audit reports, cost or pricing data, and the *Certificate of Current Cost or Pricing Data*;
- The negotiation memorandum;
- A record of all preaward reviews and approvals;
- The original, signed subcontract (for telephone orders, evidence of award), all subcontract modifications, and documents supporting each modification;
- Documentation to support completion of the subcontract requirements, including notification of receipt of deliverables, acceptance of the subcontractor's performance, patent clearances, disposition of government property, and evidence of notification of final payment (see SP 42.4, *Subcontract Closeout*); and
- Any additional documents on which action was taken or that reflect actions by the procurement specialist relating to the subcontract.

#### **Organization of Subcontract Files**

Subcontract files should be organized to allow easy identification of pertinent documentation.

#### **Telephone Orders**

The documentation for telephone orders is kept in electronic form on the Procurement information system (i.e. PeopleSoft). The system has several different screens that are used to enter information relating to procurement transactions. A complete description of PeopleSoft screens and their content is on the Procurement website under eProcurement Documentation. PeopleSoft user instruction is available from the Procurement system administrator.

#### **Procurement Card Orders**

Procurement Card (P-Card) orders are documented electronically in the P-Card Phase II Software System. The specific requirements for using and documenting P-Card orders can be found in the *Distributed Procurements Policy and Guidelines* which is accessible from the Procurement website

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after the 13-series SPs.

**Written  
Subcontracts  
\$100,000 and less**

For written subcontracts \$100,000 and less, folders are used to maintain the necessary documentation. A checklist of all of the documentation required for such subcontracts is also kept in the folder. The outside of the folder is used to keep expediting notes and other information related to tracking the progress of the order. The inside of the folder is used to record verbal quotations when competition is used. In addition to the information contained in the folder and on the checklist, basic information about each subcontract is entered into the Procurement system database.

**Written  
Subcontracts  
Exceeding  
\$100,000**

For subcontracts over \$100,000, binders are used to maintain the necessary documentation. A checklist of all documentation required for such subcontracts is also kept in the binder. The type of checklist used will vary depending upon the type of subcontract. In addition to the information contained in the binder and on the checklist, basic information about each subcontract is entered into the Procurement system database.

**Checklists**

It is the responsibility of the procurement specialist to know what checklist to use for what type and value of transaction. Current versions of file checklists are kept on the Procurement server and by the Procurement administrative staff.

**Retention of  
Subcontract Files**

Routine procurement files are to be retained by the Laboratory in accordance with the schedule indicated below. Procurement files include the requisition, subcontract, specifications, correspondence, bonds, and other related papers pertaining to the requisitioning, award, administration, receipt, inspection, payment and close-out of the subcontract.

- All subcontracts of \$100,000 or less and construction subcontracts under \$2,000 are to be retained for three years after final payment. They may be destroyed after this time.
- All subcontracts of more than \$100,000 and construction subcontracts of \$2,000 or more are to be retained for six years and three months following contract closeout. They may be destroyed after this time.
- All real property subcontracts, regardless of value, are to be retained seventy-five years after unconditional sale or release by the government. They may be destroyed after this time.

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### **RESPONSIBILITIES:**

**Procurement  
Specialist**

The procurement specialist must:

- Develop and maintain an adequate and accurate record for all subcontracts;
- For written subcontracts, complete the appropriate subcontract checklist and make it a part of the subcontract file;
- Ensure that the files are organized to allow easy identification of pertinent documentation; and
- Maintain all subcontract files in a manner that:
  - Effectively documents the award and administration of a subcontract;
  - Is consistent with the nature, dollar value, and complexity of the subcontract; and
  - Facilitates easy review by management and auditors.
- Ensure that all files are retained in accordance with this SP.

### **REFERENCES:**

Prime Contract Clause I.114 – Contractor Purchasing System  
eProcurement Documentation

Distributed Procurements Policy and Guidelines